

COUNCIL ON HUMAN SERVICES

MINUTES

AUGUST 14, 2013

COUNCIL

Mark Anderson
Phyllis Hansell
Arnie Honkamp
Mark Peltan
Guy Richardson
Kim Spading
Roberta Yoder (absent)

EX-OFFICIO LEGISLATIVE MEMBERS

Representative Joel Fry
Representative Lisa Heddens
Senator Amanda Ragan
Senator Jack Whitver (absent)

STAFF

Chuck Palmer
Andy Johnson
Deb Johnson
Jennifer Vermeer
Rick Shults

Nancy Freudenberg
Jeff Marston
Wendy Rickman
Jen Harbison
Linda Miller

GUESTS

Jeff Steggerda, IHCA/ICAL
Sara Vanderpool, Iowa Hospital Association
Mary Nelle Trefz, Child and Family Policy Center
Dennis Tibben, Iowa Medical Society
John Harvey, VOCAL
John Hale, Iowa Caregiver's Association
Jodi Tomlonovic, Family Planning Council
Linda Hinton, Iowa State Association of Counties
Sandi Hurtado-Peters, Department of Management
Dave Roederer, Department of Management
Mikki Stier, Broadlawns Medical Center
Clark Kauffman, DM Register

Guests (Con't)

Earl Kelly, Eyerly Ball
Heather Thomas Crop, Eyerly Ball
Cynthia Steidl Bishop, Eyerly Ball
Karen Ritchie, Eyerly Ball
Dennis Prouty, Eyerly Ball
Chris Sorenson, Eyerly Ball
Dean Lerner

CALL TO ORDER

Mark Peltan, Chair, called the Council meeting to order at 10:01 a.m. on Wednesday, August 14, 2013, in the first floor conference rooms of the Hoover Building.

ROLL CALL

All Council members were present with the exception of Yoder. (Spading was connected by conference call at 10:00 a.m. until she disconnected at 1:30 p.m.)

Representative Joel Fry, Representative Lisa Heddens, and Senator Amanda Ragan were also in attendance. Senator Jack Whitver was absent.

RULES

Nancy Freudenberg, Bureau of Policy Coordination, presented the following rules to Council.

1. Amendments to Chapter 54, Medicaid. Provides clarification of the treatment of related party compensation in setting rates for residential care facilities.

Freudenberg said comments were received from the Iowa Association of Community Providers and Williams & Associates, PLC. As a result, one change was made.

A motion was made by Hansell to approve and seconded by Richardson.
MOTION UNANIMOUSLY CARRIED.

2. Amendments to Chapter 75, Medicaid. Updates rules for the Iowa Family Planning network. Public hearings were held in early June in conjunction with these amendments.

Freudenberg said public hearings were held on this rule and the Department received two comments in support.

A motion was made by Anderson to approve and seconded by Hansell.
MOTION UNANIMOUSLY CARRIED.

3. Amendments to Chapters 78, 79, and 81, Medicaid. Provides clarification for the treatment of prescription drugs, x-ray, lab, and related party compensation in setting rates for nursing facilities.

Freudenberg said the Department received a number of comments regarding this rule. Those commenting were John Hale, IowaCaregivers Association;

William Nutty, LeadingAge Iowa; Bob Welsh from Iowa City; and Dean Lerner from Des Moines. The comments received voiced concerns with professional fees, legal fees, association dues, costs directly related to patient care, definition of reasonable costs, and auditing/data resources. Freudenberg said as a result of the comments, changes were made.

Jennifer Vermeer, Medicaid Director, provided an explanation to Council on the intention of the rule. She said the Department had not made any amendments to the cost reporting rules for some time. It was found that clarification was needed in a number of areas to ensure that the rule was consistent with current practices and from a budget neutral standpoint. Vermeer provided a summary of the public comments received, what changes the Department made and the rationale for changes that were not made. She specifically provided an explanation in the areas of professional fees, association dues, the components of direct care, the caps for direct and non-direct care costs, and cost reports.

Dean Lerner distributed comments on the proposed rule to Council members. He began his remarks by providing employment background on himself. He then voiced his opposition to allow association dues to be paid by taxpayer Medicaid dollars. He said the State has also been paying legal fees for nursing homes to fight regulatory changes and he is opposed to this as well. He believes these dollars could be better spent by dedicating them to providing quality care to residents in nursing homes. He also shared articles regarding Iowa's low ranking in nursing home care.

John Hale, Iowa Caregiver's Association, provided background on the Association. He said oral and written comments had been submitted expressing concern on the need for greater transparency and more accountability for the Medicaid expenditures. However, he said his main reason for addressing the Council today was to offer a simple thank you to staff at DHS, specifically the Iowa Medicaid Enterprise (IME) staff. He said the public comment period worked. DHS staff listened and considered their questions and responded by making important changes to the reporting process that will provide greater transparency and greater accountability. He also noted that as a result of that decision, an informal workgroup will be formed to further these conversations.

Hansell requested information on the format of the cost report and detail of how it is reviewed. Jeff Marston from IME explained the desk review process.

Council and staff discussed association and legal fees as well as random and targeted audits to nursing homes. It was requested by Council members that a future agenda item be an overview of nursing facility cost reports. Honkamp also suggested that part of this overview include a CPA's input that is familiar with cost reports.

A motion was made by Hansell to approve and seconded by Honkamp.
MOTION UNANIMOUSLY CARRIED.

4. Amendments to Chapter 82, Medicaid. Provides clarification of treatment of related party compensation in setting rates for Intermediate Care Facilities for Persons with Intellectual Disabilities.

Freudenberg said comments were received on this rule and, as a result, changes were made.

A motion was made by Richardson to approve and seconded by Anderson.
MOTION UNANIMOUSLY CARRIED.

5. Amendments to Chapters 109 and 110, Child Care. Amends physical exam and immunization requirements. Adds new record check form. Modifies rules to reflect new forms and file requirements.

Freudenberg said no comments were received but one change was made to the noticed rule.

A motion was made by Hansell to approve and seconded by Richardson.
MOTION UNANIMOUSLY CARRIED.

REPORT OF NOTICED ACTION

N-1. Amendments to Chapter 76, Medicaid. Rescinds and replaces Chapter 76 to allow compliance with the Patient Protection and Affordable Care Act.

Rickman informed Council this Chapter was totally rewritten due to medical assistance changes required by the Affordable Care Act.

N-2. Amendments to Chapters 76 and 80, Medicaid. Moves a current rule within Chapter 76 on Health Data Match requirements to Chapter 80.

N-3. Amendments to Chapter 77, Medicaid. Transitions the provision of service provided by individual providers of personal care under the Consumer-Directed Attendant Care option to agency-provided personal care services.

N-4. Amendments to Chapters 77, 78, and 79, Medicaid. Changes the payment methodology for Home and Community-Based Services transportation to be the same as that used for non-emergency transportation.

N-5. Amendments to Chapter 92, Medicaid. Changes the payment methodology for federally qualified health centers (FQHC) from fee-for-service to an encounter payment.

A motion was made by Hansell to accept the Report of Noticed Action and seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

BUDGET UPDATE

Dave Roederer, Director of the Department of Management, thanked members for their service on the DHS Council.

Roederer presented a powerpoint presentation on the State budget. Information shared were the three sources of 90% of the state revenue (personal income tax, sales and use tax; and corporate income) with 90% of the revenue distributed to education, health and human services, and the justice system. Major budget drivers are school foundation aid, wage and benefits for state employees, and Medicaid. The annual cost for persons receiving Medicaid, school aid, and services in correction facilities and DHS facilities was also discussed.

Roederer said when Governor Branstad took office in 2010, staff was asked to produce a five-year projection based on what the current expenditure rates were as well as the current revenue rates occurring. It was found that if something wasn't done by FY 2012, there would be a 10% ongoing debt and, by 2015, the ongoing debt would be 19.5%. Working in cooperation with the legislature, this has been turned around. Today the five-year projections are that revenue will continue to exceed the expenditures as long as the expenditures are kept in line. Roederer noted that although there are large ending balances in FY 2013, FY 2014, and FY 2015, the balances are needed for the new education reform and property taxes that will begin in FY 2015 and FY 2016.

Roederer also spoke about the number of state employees in the last 20 years; the growth of Medicaid enrollees and costs; facilities challenges; and the funding for K-12 students and state universities. He also spoke about Iowa being the only State that has not grown by at least 50% in population from 1900-2010 and the reduction in members of Congress from eleven in 1900 to four members today. It was also shared that Monona County in the year 2000 had more people 65 years of age and above residing there than they did eighteen years of age and below. It is projected that in 2040, if something doesn't change, there will be 60 counties with more people aged 65 and above than eighteen or younger. Roederer said this will have a significant impact on delivery of services, where resources are placed, and what type of care will need to be provided. It was also noted that 57% of children ages 0-5, live in 13 counties.

Roederer outlined the Governor's goals: 1) create 200,000 new jobs; 2) raise family incomes by 25%; 3) make education #1 again; and 4) reduce the cost of government by 15%. Iowa's leading indicators from January through June 2013 was also discussed as well as the positive working relationships with federal government partnerships.

Honkamp requested members be provided a copy of the presentation.

UPDATE ON WELLNESS PLAN & MARKETPLACE CHOICE PLAN WAIVERS

Jennifer Vermeer, Medicaid Director, distributed information on the Iowa Health and Wellness Plan as well as the Marketplace Choice Plan. (Material is on file in the Director's Office).

The Iowa Health and Wellness Plan was enacted to provide comprehensive health coverage for low-income adults. The coverage begins January 1, 2014, and will cover Iowans age 19-64 with income up to and including 133% of the Federal Poverty Level (FPL). This new, comprehensive program will replace the IowaCare program, which will end December 31, 2013.

Vermeer noted Iowa Medicaid is required to submit two waivers for plan approval to the Centers for Medicare and Medicaid Services (CMS): one waiver for the Wellness Plan; and one waiver the Marketplace Choice Plan. Iowa must receive approval from the federal government and DHS staff are working with CMS continually on plan details.

Vermeer reviewed the major timelines for implementation of the plan:

- Draft waivers released for public comment – July 15, 2013
- Public Hearing held – July 29-30, 2013
- Public Comment Submission Deadline – August 15, 2013
- Waivers submitted to CMS – August 20, 2013
- Public Outreach and Education – August 2013 through March 2014
- Beginning of Open Enrollment Period/Applications Accepted – October 1, 2013
- Iowa Health and Wellness Coverage Begins – January 1, 2014

Vermeer also provided an overview of the presentation she will be providing to the Medical Assistance Advisory Council (MAAC) tomorrow. Highlights include the key goals of the legislation; plan summaries; member eligibility; and waiver and delivery system strategies for the Plan.

It was noted that estimates are for 109,000 new people to enroll in these plans within the next two years. Some of the enrollees will be previous IowaCare members and may be looking at changing providers closer to home. Vermeer said access to all covered services is a key consideration in year one.

CHILD ABUSE PREVENTION ADVISORY COUNCIL MEMBERSHIP

Wendy Rickman, Division Administrator for Adult, Children, and Family Services, said in accordance with recent legislation, DHS staff are making

recommendations to the Council regarding individuals to be appointed to the Child Abuse Prevention Advisory Committee (CAPAC).

Lisa Bender, Division of Adult, Children, and Family Services, provided a short overview of the CAPAC. She also explained the recruitment process as well as advised of the pre-screening tool used in determining the recommendations. As a result, she is seeking approval to fill three positions:

- Citizen appointee – Reverend Kevin Frey
- Provider appointee – Amy Alvarez
- Citizen/provider appointee – David Palmer

Bender also requested Council's approval to change the term limits from calendar year to fiscal year.

A motion was made by Anderson to approve the three nominees recommended and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

A motion was then made by Anderson to approve changing the membership terms from calendar year to fiscal year. The motion was seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Rickman stated that at the November Council meeting, updates will be given on the work of both the Child Welfare Advisory Committee and the Child Abuse Prevention Advisory Committee.

APPROVAL OF MINUTES

Hansell requested the word "Health" be added to her report on page 10 under "Council Members' Update" in the June 12, 2013, minutes. A motion was made by Richardson to approve the June 12th minutes with the above correction and seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

A motion was made by Hansell to approve the June 26, 2013, minutes and seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

A motion was made by Richardson to approve the July 10, 2013, minutes and seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

COUNCIL MEMBERS' UPDATE

Hansell informed Council she recently met with DHS staff Wendy Rickman and Lori Lipscomb regarding child abuse and safety programs for the Department. Council members Roberta Yoder and Arnie Honkamp also attended the meeting. She found this meeting very informative and she appreciated it. She thanked staff for putting the meeting together.

Anderson shared a discussion he recently had with a local Sheriff regarding a residential treatment center. The concerns involve transportation issues for the Sheriff's Office and the billing practices of the center. DHS staff will bring Anderson's concerns to the attention of Magellan.

Representative Heddens said there are legislators that are looking further into some of the issues at the Toledo Juvenile Home. She will be traveling to Toledo on August 23, 2013, with a number of legislators to gain a better understanding of the needs and barriers to delivering services.

Honkamp asked if the Council ever enters into an executive session (closed session.) Secretary Miller responded that Council has in the past but there is certain criteria that must be met. Palmer would like to have the Assistant Attorney General join the Council meeting if it would ever decide to enter a closed session to ensure the criteria is met.

Peltan suggested that at a future meeting the Assistant Attorney General join the meeting to discuss the "open meeting" rules.

DIRECTOR'S REPORT

Director Palmer shared that he has been at Toledo almost weekly since the issues have surfaced. He spent considerable time updating Council on the Home. He spoke about the history of Toledo, the physical plant, the difficulty of the mixture of the population (male/female, delinquents, children in need of assistance); and possible licensure concerns due to the mixture of the population. He said the Executive and Legislative Branches as well as DHS staff and the Council need to review what the mission of the Home should be and who should be served.

Palmer spoke about his prior knowledge of the isolation units and noted that, today, the units have essentially been taken offline. He said Mark Day, Interim Superintendent, and staff over the last several months have done a wonderful job correcting the situation. Since Day has been at Toledo, the use of seclusion units has been reduced by 81%. Staff have had an immense amount of training as well as changing of schedules.

Palmer said he is very pleased with legislative interest and involvement in visiting the campus. There is a group of legislators visiting the Home next week and staff welcome their visit. Palmer also said he would encourage any Council members wanting to visit to do so.

Council and staff discussed visiting both the Iowa Juvenile Home and State Training School in the future.

Representative Fry said that his understanding is that changes have been going on for some time long before any story came out in the newspaper. The Department has been working on different issues and has continued to work on them. He thanked the Department for the continued work.

Director Palmer also updated Council on a teleconference that will occur this afternoon between the Governor and Secretary Sebelius regarding health care reform.

Council recessed to travel to Eyerly Ball, a Community Mental Health Services agency in Des Moines.

EYERLY BALL VISIT

Earl Kelly, CEO of Eyerly Ball, welcomed Council to the agency. Introductions were exchanged. Kelly provided several handouts to Council. (Material is on file in Director's Office.)

In 1965 the U.S. Congress passed legislation to create a system of community mental health centers across the country. This groundbreaking legislation was the start of non-institutional, public mental health systems. Kelly said in 1968 Eyerly Ball Community Mental Health Services began providing outpatient treatment services. Eyerly Ball belongs to the Alliance of Community Health Centers which serves 46 counties and is a non-profit agency serving approximately 6,000 patients and employs over 160 staff. Eyerly Ball is also CARF accredited for residential treatment, supported living and outpatient treatment in mental health services for adults.

Kelly and his staff provided briefings on the clinical/treatment programs as well the financing of mental health centers. The staff attending and presenting at the meeting were Heather Thomas, Cropp Clinic Director; Cynthia Steidl Bishop, COO; and Chris Sorensen, CFO. Also attending representing Eyerly Ball were Karen Ritchie, President of the Board and Dennis Prouty, Treasurer.

Presentations by staff included discussion of grant-funded programs; federal block grants; Medicaid expansion and the Affordable Care Act; transition from a county-based system to a state system; the components that make mental health centers specialized; electronic medical records; the process for becoming a client at Eyerly Ball; and the open access model for therapy.

Council and staff also discussed specifics of mental health redesign; regionalization, system problems, and health care reform concerns. Dennis Prouty specifically voiced concern with the cost settlement process for various clients. He said "cash flow" is not representative of what is going on. The mental health centers are providing service and for various clients it can be up to

two years to get the final 40% cost settlement. He suggested consider modifying the percentage in the cost settlement or doing away with it altogether.

Council thanked Eyerly Ball staff for their visit.

NEXT MEETING

The next meeting of the Council on Human Services will be Tuesday, September 10 and Wednesday, September 11, in Des Moines.

A motion was made by Anderson to adjourn and seconded by Richardson.
MOTION UNANIMOUSLY CARRIED.

Council adjourned at 3:45 p.m.

Submitted by,

Linda Miller
Recording Secretary

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